

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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CHILE: A massive demonstration is planned in support of Salvador Allende, who will be inaugurated today.

The Chilean Communist Party is working		0
attract some 500,000 persons into the street	ts of	
Santiago in a show of support for Allende.		

Approximately 70 countries are sending official delegations, several of which will be headed by foreign ministers or other high-level government officials. A few Latin American countries, however, are merely designating their ambassadors in Santiago as a demonstration of their lack of enthusiasm for the new Marxist government. A vice president of the Presidium of the Supreme Soviet and the deputy premier of Romania will lead their respective delegations.

Communist countries with which Chile does not now have diplomatic relations--including Cuba, Communist China, and North Korea--will be represented by unofficial delegations. North Korea's delegation is headed by the vice minister of foreign affairs and Cuba's large delegation by Minister without Portfolio Carlos Rafael Rodriguez. A number of leftists, including Latin American Communist Party leaders, trade union delegations, famous artistic personalities, and educators, also will have unofficial status.

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UN - MIDDLE EAST: The General Assembly seems increasingly likely to adopt a compromise between the competing US and Egyptian draft resolutions or a modified version of the latter.

The Assembly may complete action on the Middle East situation today. Cairo's text, which has 17 nonaligned cosponsors, urges "speedy implementation" of the 1967 Security Council resolution and calls on the parties to resume contact with UN mediator Gunnar Jarring. Egypt's strong position in the Assembly may be hurt, however, by defections in the Arab and African groups. Eight Arab states, including Saudi Arabia and Kuwait, have objected to any endorsement of the 1967 resolution.

At least five African states--Congo (K), Liberia, Rwanda, Malawi, and Malagasy Republic--have opted to support the US draft, which endorses the 1967 resolution and calls for creation of conditions of confidence necessary to permit a resumption of talks under Jarring's auspices and for extension of the cease-fire for at least three months. The US text still lacks significant backing, however, and would surely fall far short of a majority in an Assembly vote.

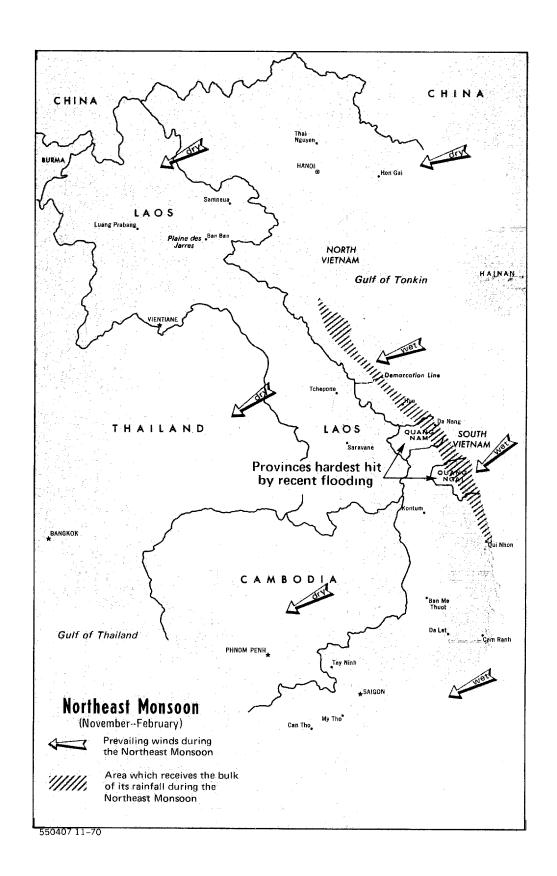
Argentina has drafted a compromise resolution that most of the Latin American states may decide to offer as cosponsors. It is believed to cover the minimum demands of Egypt and its cosponsors, and is responsive to their keen desire for some sort of Assembly statement before the expiration of the cease-fire on 5 November. The Argentine draft endorses the 1967 Council resolution and recommends resumption of the Jarring talks and the extension of the cease-fire for at least three months.

TUNISIA: President Bourguiba has relieved Bahi Ladgham as prime minister, a long-anticipated move that is not expected to herald any policy changes.

Ladgham will be succeeded by Hedi Nouira, long influential in matters of economic policy, who has been acting prime minister since early last month. Nouira, like Ladgham, has collaborated closely with Bourguiba since before independence and opposed former economic chief Ahmed ben Salah's policy of placing all agricultural production into cooperatives. Bourguiba announced that the new government Nouira is forming will be presented to the National Assembly, an innovation for Tunisia.

Ladgham, who reported to Bourguiba last Wednesday on his peacekeeping mission to Jordan, will return to Amman to complete that mission. Thereafter, he will probably devote his efforts to his duties as secretary general of the Destourian Socialist Party, a post he has held since 1955, in order to prepare for a party congress that has already been postponed twice.

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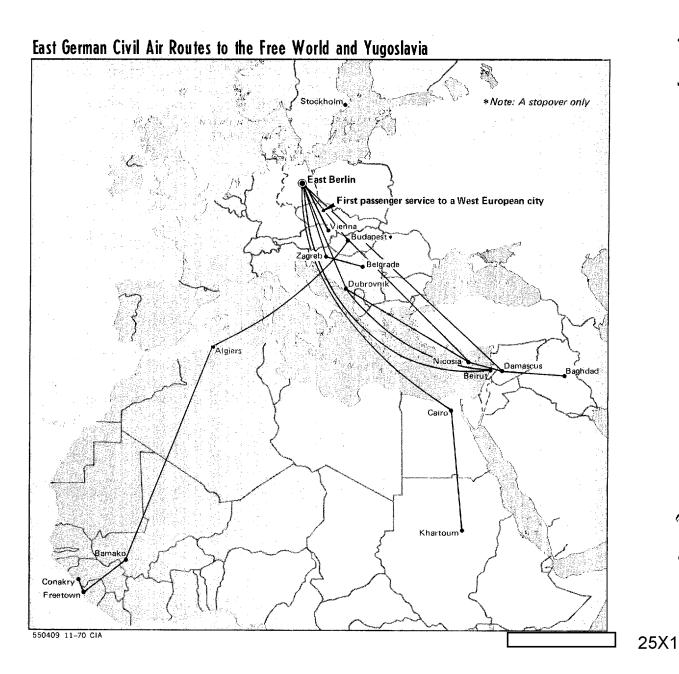


SOUTH VIETNAM: Allied military operations in the northern provinces are returning to normal following heavy seasonal rains which brought the war to a virtual standstill.

Many of the low-lying, populous areas in the region were inundated over the weekend--Quang Nam and Quang Ngai provinces seem particularly hard hit--and allied military units concentrated on civilian relief efforts. More than 150 Vietnamese civilians were killed, over 200,000 driven from their homes at least temporarily, and a large part of the rice crop destroyed--the most serious losses since the floods of 1964.

The northern coastal region always receives heavy rains at about this time of year as the northeast monsoons move in from the Gulf of Tonkin. This year the bad weather has been compounded by a series of typhoons. The rains are now easing and flood waters receding. Throughout the remainder of Indochina the weather is improving, bringing better conditions for both allied and Communist military operations to Laos, Cambodia, and southern South Vietnam.

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EAST GERMANY - AUSTRIA: The first scheduled East German airline passenger service to a West European country will begin tomorrow.

The agreement between Interflug, the East German airline, and Austrian Airlines was signed in late July for implementation this fall. Interflug is scheduled to operate twice-weekly flights to Vienna, although Austrian Airlines is not expected to fly to East Berlin until 1972. Under the agreement, the East Germans can take on passengers in Vienna for flights to one point in North or West Africa, and the Austrians can fly beyond East Berlin to Stockholm.

For the East Germans, political considerations probably outweighed any immediate economic benefits which accrue to them. In recent years, Pankow has sought to modernize its civil air fleet and to expand its international airline service in an effort to gain recognition and prestige. Another objective is to give East Berlin's Schoenefeld airport the necessary status to diminish West Berlin's importance as a major regional gateway for international air travel. Although the Austrians claim it is only a "commercial" arrangement, Pankow will undoubtedly tout this agreement between the two state-owned airlines as an example of "intergovernmental" cooperation.

#### NOTES

EGYPT: The formal organization of the new Sadat government has finally been completed with the designation of Husayn al-Shafi and Ali Sabri as vice presidents, but further shifts can be expected within the ruling hierarchy. Both men served in similar capacities under Nasir. Neither man was named first vice president in the present government, nor were they assigned areas of responsibility, suggesting continued dissension over their future roles. Al-Shafi is generally considered a political lightweight, but left-leaning Sabri appears to have more influence, particularly within the Arab Socialist Union, Egypt's sole legal political organization.

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COMMUNIST CHINA: A program to build destroyers is under way at shipyards in both north and south China.

two destroyers have been launched at a shipyard in Dairen and a third unit may be in the initial stages of construction there. These destroyers—designated

of construction there. These destroyers-designated the Luta class appear similar to but slightly longer than the Soviet Kotlin.

similar destroyer under construction at Canton.
The two units which have been launched at Dairen may be operational in mid-1971 and the one at Canton by the end of next year.

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AUSTRALIA-UK: Canberra is threatening to reduce UK trade preferences in its markets if London passes proposed levies on agricultural imports. Under the agreement negotiated in 1932 and revised in 1957, the British Government undertook to give free entry to many Australian imports. Now, under the proposed levies, Australian products for the first time will face real barriers in the traditional British market. Canberra views the UK proposal as a preparation for prospective membership in the European Communities, and fears loss of agricultural markets.

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WESTERN EUROPE: The European Space Conference, which opens a three-day meeting in Brussels today, will attempt to respond to a US invitation to open negotiations on joint space cooperation. Initial reactions to the preliminary US position on the conditions for such cooperation have been generally favorable, but it may still be too early for the Europeans to have worked out the implication of a joint program for their own space plans. Some of the Europeans are still doubtful about the US financial commitment to a "post-Apollo" program and about US assurances to provide launchers for European communications satellites. There is concern, moreover, on the Continent about Britain's willingness or ability to participate in the proposed cooperation.

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INDONESIA-YUGOSLAVIA: Belgrade refuses to reschedule some \$100 million in debts owed by Indonesia. Djakarta is seeking a long-term agreement similar to those reached by the Soviet Union and major Western creditors, but Yugoslavia argues that its own economic problems preclude such favorable terms. Unless some agreement is reached, however, Indonesia is unlikely to make any repayments to Belgrade. Until now Djakarta has been extremely successful in getting creditors to accept the principle of a long-term debt rescheduling.

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#### NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 2 November 1970 approved the following national intelligence estimate:

NIE 64.2-70 "Prospects for Postwar Nigeria"

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